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CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 583**

### **Introduced by Assembly Member Hancock**

(Principal coauthor: Senator Simitian)

**(Coauthors: Assembly Members Bass, Berg, Canciamilla, Chan, Evans, Goldberg, Jones, Klehs, Koretz, Laird, Leno, Lieber, Montanez, Mullin, Nation, Nava, Pavley, and Saldana)**

(Coauthors: Senators Alarcon, Bowen, Figueroa, Kuehl, Lowenthal, and Ortiz)

February 16, 2005

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An act to amend, repeal, and add Section 8040 of the Elections Code, and to add Chapter 12 (commencing with Section 91015) to Title 9 of, and to repeal Section 85300 of, the Government Code, relating to the Political Reform Act of 1974, ~~and making an appropriation therefor.~~

#### LEGISLATIVE COUNSEL'S DIGEST

AB 583, as amended, Hancock. Political Reform Act of 1974: California Clean Money and Fair Elections Act of 2006.

(1) *Existing* law requires a county elections official to provide, upon request of a candidate, a declaration of candidacy, which is required to include specified information.

This bill would, *for display purposes only*, if the Clean Money provisions described below ~~are were to be~~ approved by the voters, additionally require the declaration of candidacy to include a statement of the amount of personal funds the candidate intends to use on his or her candidacy for the office.

~~(2) Under~~

(2) *Under* existing law, the Political Reform Act of 1974, a public officer is prohibited from expending or accepting any public moneys for the purpose of seeking elective office.

This bill would, *for display purposes only*, repeal that provision and would enact the California Clean Money and Fair Elections Act of 2006, which would, *for display purposes only*, authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would, *for display purposes only*, impose responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. This bill would ~~appropriate \$3,000,000 each fiscal year from the fund created by the bill~~, *for display purposes only*, create the Clean Money Fund and, commencing with the fiscal year beginning on July 1, 2008, transfer an amount equal to \$0.01 per day times the number of California residents 18 years of age or older from the General Fund to the Clean Money Fund. It would, *for display purposes only*, continuously appropriate those moneys in the Clean Money Fund to the Fair Political Practices Commission for the purpose of ~~administration~~ *the public financing provisions of the act*. *The bill would make funding for the administrative and enforcement costs of the act subject to appropriation by the Legislature.*

The bill would, *for display purposes only*, add contribution limits that, among other things, limit contributions to a candidate for statewide elective office who does not participate in Clean Money Fund funding.

~~(3) The~~

(3) *The* Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act by a statute that becomes effective only when approved by the voters.

This bill would, *for display purposes only*, require the Secretary of State to submit those provisions of the act that amend the Political Reform Act of 1974 to the voters *for approval* at the June 3, 2008, statewide primary election.

(4) *This bill would provide that its provisions shall not become operative and that its provisions are for display purposes only. The bill*

would also state the intent of the Legislature that a conference committee be established to consider the bill's provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~ no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 8040 of the Elections Code is amended to read:

8040. (a) The declaration of candidacy by a candidate shall be substantially as follows:

DECLARATION OF CANDIDACY

I hereby declare myself a \_\_\_\_ Party candidate for nomination to the office of \_\_\_\_ District Number \_\_\_\_ to be voted for at the primary election to be held \_\_\_\_, 20\_\_, and declare the following to be true:

My name is \_\_\_\_\_.

I want my name and occupational designation to appear on the ballot as follows: \_\_\_\_\_.

Addresses:

Residence \_\_\_\_\_

\_\_\_\_\_

Business \_\_\_\_\_

\_\_\_\_\_

Mailing \_\_\_\_\_

\_\_\_\_\_

Telephone numbers: Day \_\_\_\_ Evening \_\_\_\_

Web site: \_\_\_\_\_

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship, residency, and party affiliation, if required).

I am at present an incumbent of the following public office (if any) \_\_\_\_.

If nominated, I will accept the nomination and not withdraw.

\_\_\_\_\_  
Signature of candidate

State of California )

County of \_\_\_\_\_ ) ss.

1 )

2

3 Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_, 20\_\_.

4

5 \_\_\_\_\_  
Notary Public (or other official)

6 Examined and certified by me this \_\_\_\_ day of \_\_\_\_, 20\_\_.

7

8 \_\_\_\_\_  
County Elections Official

9 **WARNING:** Every person acting on behalf of a candidate is guilty  
10 of a misdemeanor who deliberately fails to file at the proper time  
11 and in the proper place any declaration of candidacy in his or her  
12 possession which is entitled to be filed under the provisions of the  
13 Elections Code Section 18202.

14 (b) A candidate for a judicial office may not be required to state  
15 his or her residential address on the declaration of candidacy.  
16 However, in cases where the candidate does not state his or her  
17 residential address on the declaration of candidacy, the elections  
18 official shall verify whether his or her address is within the  
19 appropriate political subdivision and add the notation “verified”  
20 where appropriate.

21 (c) If the provisions of the statutory enactment adding this  
22 subdivision that add Chapter 12 (commencing with Section 91015)  
23 to Title 9 of the Government Code are approved by the voters at  
24 the June 3, 2008, primary election, this section shall become  
25 inoperative on June 4, 2008, and as of that date is repealed.

26 **SEC. 2.** Section 8040 is added to the Elections Code, to read:  
27 8040. (a) The declaration of candidacy by a candidate shall  
28 be substantially as follows:

29

30 **DECLARATION OF CANDIDACY**

31

32 I hereby declare myself a \_\_\_\_ Party candidate for nomination to the office  
33 of \_\_\_\_ District Number \_\_\_\_ to be voted for at the primary election to be held  
34 \_\_\_\_, 20\_\_, and declare the following to be true:

35 My name is \_\_\_\_\_.

36 I want my name and occupational designation to appear on the ballot as  
37 follows: \_\_\_\_\_.

38 Addresses: \_\_\_\_\_

39 Residence \_\_\_\_\_

40 \_\_\_\_\_

Business \_\_\_\_\_

Mailing \_\_\_\_\_

Telephone numbers: Day \_\_\_\_\_ Evening \_\_\_\_\_

Web site: \_\_\_\_\_

It is my intent to spend \$\_\_\_\_\_ of my personal funds on my candidacy for this office.

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship, residency, and party affiliation, if required).

I am at present an incumbent of the following public office (if any) \_\_\_\_\_.

If nominated, I will accept the nomination and not withdraw.

\_\_\_\_\_  
Signature of candidate

State of California )

County of \_\_\_\_\_ ) ss.

)

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public (or other official)

Examined and certified by me this \_\_\_\_ day of \_\_\_\_, 20\_\_.

\_\_\_\_\_  
County Elections Official

**WARNING:** Every person acting on behalf of a candidate is guilty of a misdemeanor who deliberately fails to file at the proper time and in the proper place any declaration of candidacy in his or her possession which is entitled to be filed under the provisions of the Elections Code Section 18202.

(b) A candidate for a judicial office may not be required to state his or her residential address on the declaration of candidacy. However, in cases where the candidate does not state his or her residential address on the declaration of candidacy, the elections official shall verify whether his or her address is within the appropriate political subdivision and add the notation “verified” where appropriate.

(c) This section shall be inoperative until June 4, 2008. On that date, it shall become operative only if the provisions of the statutory enactment adding this section that add Chapter 12 (commencing with Section 91015) to Title 9 of the Government Code are approved by the voters at the June 3, 2008, primary election. If the voters at that election do not approve the addition of Chapter 12 (commencing with Section 91015) to Title 9 of the Government Code as provided in the act that adds this section, this section shall not go into operation and shall be repealed as of June 4, 2008.

SEC. 3. Section 85300 of the Government Code is repealed.

SEC. 4. Chapter 12 (commencing with Section 91015) is added to Title 9 of the Government Code, to read:

CHAPTER 12. CALIFORNIA CLEAN MONEY AND FAIR ELECTIONS  
ACT OF 2006

Article 1. General

91015. This chapter shall be known and may be cited as the California Clean Money and Fair Elections Act of 2006.

91017. The people find and declare all of the following:

(a) The current campaign finance system burdens candidates with the incessant rigors of fundraising and thus decreases the time available to carry out their public responsibilities.

(b) The current campaign finance system diminishes the free speech rights of nonwealthy voters and candidates whose voices are drowned out by those who can afford to monopolize the arena of paid political communications.

(c) The current campaign finance system fuels the public perception of corruption at worst and conflict of interest at best and undermines public confidence in the democratic process and democratic institutions.

(d) The ever-increasing costs of political campaigns in competitive races force most candidates to raise larger and larger percentages of their campaign moneys from interest groups that have a specific financial stake in the outcome of the elections and in matters before our state government.

(e) Existing term limits place a greater demand on fundraising for the next election even for elected officials in safe seats.

1 (f) The rapidly increasing amounts of independent expenditures  
2 point to a growing trend of special interest groups to funnel funds  
3 through independent expenditure committees in an effort to skirt  
4 the contribution laws.

5 (g) The current campaign finance system undermines the First  
6 Amendment right of voters and candidates to be heard in the  
7 political process, undermines the First Amendment right of voters  
8 to hear all candidates' speech, and undermines the core First  
9 Amendment value of open and robust debate in the political  
10 process.

11 (h) Because of legislative reapportionment, most legislative  
12 campaigns are not competitive and thus candidates do not have to  
13 spend huge amounts of money to be elected. However, in  
14 competitive elections, costs can exceed one million dollars  
15 (\$1,000,000). This law is designed to address both situations by  
16 providing smaller amounts of public funds in noncompetitive races  
17 and much larger amounts in competitive contests. By doing this,  
18 the California Clean Money and Fair Elections Act of 2006 saves  
19 the taxpayers of California from unnecessarily expending large  
20 amounts of public moneys.

21 (i) In states where the clean money and clean election laws have  
22 been enacted and used, election results show that more individuals,  
23 especially women and minorities, run as candidates; voter turnout  
24 increases and overall campaign costs decrease.

25 (j) The current campaign finance system creates a danger of  
26 actual corruption by encouraging elected officials to take moneys  
27 from private interests that are directly affected by governmental  
28 actions.

29 91019. The people enact this chapter to accomplish the  
30 following separate but related purposes:

31 (a) To reduce the influence of large contributions on the  
32 decisions made by state government.

33 (b) To remove wealth as a major factor affecting whether an  
34 individual chooses to become a candidate.

35 (c) To provide a greater diversity of candidates to participate  
36 in the electoral process.

37 (d) To reverse the escalating cost of elections that have increased  
38 far beyond the increases in the cost of living.

1 (e) To permit candidates to pursue policy issues instead of being  
2 preoccupied with fundraising and allow officeholders more time  
3 to carry out their official duties.

4 (f) To diminish the danger of actual corruption or the public  
5 perception of corruption and strengthen public confidence in the  
6 governmental and election processes.

7 (g) To ensure that independent expenditures are not used to  
8 evade contribution limits.

9 91021. The people enact this chapter to further accomplish the  
10 following separate but related purposes:

11 (a) It would foster more equal and meaningful participation in  
12 the political process.

13 (b) It would provide candidates who participated in the program  
14 with sufficient resources with which to communicate with voters.

15 (c) It would increase the accountability of each elected official  
16 to the constituents who elect him or her, as opposed to the  
17 contributors who fund his or her campaigns.

18 (d) It would provide voters with timely information regarding  
19 the sources of campaign contributions, expenditures, and political  
20 advertising.

21  
22 Article 2. Applicability to the Political Reform Act of 1974  
23

24 91023. Unless specifically superseded by this act, the  
25 definitions and provisions of the Political Reform Act of 1974  
26 shall govern the interpretation of this chapter.

27  
28 Article 3. Definitions  
29

30 91025. (a) The contributions of an entity whose contributions  
31 are directed and controlled by any individual shall be aggregated  
32 with contributions made by that individual and any other entity  
33 whose contributions are directed and controlled by the same  
34 individual.

35 (b) If two or more entities make contributions that are directed  
36 and controlled by a majority of the same persons, the contributions  
37 of those entities shall be aggregated.

38 (c) Contributions made by entities that are majority-owned by  
39 any person shall be aggregated with the contributions of the  
40 majority owner and all other entities majority-owned by that



1 person, unless those entities act independently in their decisions  
2 to make contributions.

3 91027. “Coordination” means a payment made for a  
4 communication or anything of value that is for the purpose of  
5 influencing the outcome of a state election and that is made:

6 (a) By a person in cooperation, consultation, or concert with,  
7 at the request or suggestion of, or pursuant to a particular  
8 understanding with a candidate, a candidate’s controlled committee,  
9 or an agent acting on behalf of a candidate or a controlled  
10 committee.

11 (b) By a person for the dissemination, distribution, or  
12 republication, in whole or in part, of any broadcast or any written,  
13 graphic, or other form of campaign material prepared by a  
14 candidate, a candidate’s controlled committee, or an agent of a  
15 candidate or a controlled committee.

16 (c) Based on specific information about the candidate’s plans,  
17 projects, or needs provided to the person making the payment by  
18 the candidate or the candidate’s agent who provides the information  
19 with a view toward having the payment made.

20 (d) By a person if, in the same primary and general election in  
21 which the payment is made, the person making the payment is  
22 serving or has served as a member, employee, fundraiser, or agent  
23 of the candidate’s controlled committee in an executive or  
24 policymaking position.

25 (e) By a person if the person making the payment has served in  
26 any formal policy or advisory position with the candidate’s  
27 campaign or has participated in strategic or policymaking  
28 discussions with the candidate’s campaign relating to the  
29 candidate’s pursuit of nomination for election, or election, to a  
30 state office, in the same primary and general election as the primary  
31 and general election in which the payment is made.

32 (f) By a person if the person making the payment retains the  
33 professional services of an individual or person who, in a  
34 nonministerial capacity, has provided or is providing  
35 campaign-related services in the same election to a candidate who  
36 is pursuing the same nomination or election as any of the  
37 candidates to whom the communication refers.

38 91029. “Entity” means any person other than an individual.

39 91031. “Excess expenditure amount” means the amount of  
40 moneys spent or obligated to be spent by a nonparticipating

1 candidate in excess of the Clean Money amount available to a  
2 participating candidate running for the same office. If a  
3 participating candidate has made the choice specified in subdivision  
4 (c) of Section 91097 in an election where there is more than one  
5 participating candidate, then the Clean Money amount available  
6 to the participating candidate shall be considered to be the actual  
7 amount paid by the Clean Money Fund to the candidate for that  
8 primary or general election period, including any increase or  
9 decrease effected by the choice.

10 91033. "Exploratory period" means the period beginning 18  
11 months before the primary election and ending on the last day of  
12 the qualifying period. The exploratory period begins before, but  
13 extends to the end of, the qualifying period.

14 91035. "General election campaign period" means the period  
15 beginning the day after the primary election and ending on the day  
16 of the general election.

17 91037. "Independent candidate" means a candidate who does  
18 not represent a political party that has been granted ballot status  
19 for the general election and who has qualified to be on the general  
20 election ballot.

21 91039. "Independent electioneering expenditures" means any  
22 expenditure of two thousand five hundred dollars (\$2,500) or more  
23 made by a person, party committee, political committee or political  
24 action committee, or any entity required to file reports pursuant  
25 to Section 84605, during the 45 calendar days before a primary or  
26 the 60 calendar days before a general election, which expressly  
27 advocates the election or defeat of a clearly identified candidate  
28 or names or depicts clearly identified candidates.

29 91041. "Majority-owned" means an ownership of 50 percent  
30 or more.

31 91043. "Nonparticipating candidate" means a candidate who  
32 is on the ballot but has chosen not to apply for Clean Money  
33 campaign funding, a candidate who is on the ballot and has applied  
34 but has not satisfied the requirements for receiving Clean Money  
35 funding.

36 91045. "Office-qualified party" means a party whose  
37 gubernatorial nominee has received 10 percent or more of the votes  
38 at the last election or whose candidate for the same office in the  
39 same district, whether statewide or legislative, as the current

1 candidate seeking Clean Money funding received 10 percent or  
2 more of the votes at the last election.

3 91046. "Office-qualified candidate" is a candidate seeking  
4 nomination for a state office from an office-qualified party.

5 91047. "One party dominant legislative district" is a district  
6 in which the number of registered voters for the party with the  
7 highest number of registered voters exceeds the number of  
8 registered voters for each of the other parties by an amount no less  
9 than 20 percent of the total number of registered voters in the  
10 district.

11 91049. "Participating candidate" means a candidate who  
12 qualifies for Clean Money campaign funding. These candidates  
13 are eligible to receive Clean Money funding during primary and  
14 general election campaign periods.

15 91051. "Party candidate" means a candidate who represents a  
16 political party that has been granted ballot status and holds a  
17 primary election to choose its nominee for the general election.

18 91053. "Performance-qualified candidate" means a candidate  
19 who has either won the primary nomination of an office-qualified  
20 party or shown a broad base of support by gathering twice the  
21 number of qualifying contributions as is required for an  
22 office-qualified candidate. Independent candidates may qualify  
23 for funding as performance-qualified candidates.

24 91055. "Petty cash" means cash amounts of one hundred dollars  
25 (\$100) or less per day that are drawn on the Clean Money Debit  
26 Card and used to pay expenses of no more than twenty-five dollars  
27 (\$25) each.

28 91057. "Political party committee" means the state central  
29 committee or county central committee of an organization that  
30 meets the requirements for recognition as a political party pursuant  
31 to Section 5100 of the Elections Code.

32 91059. "Primary election campaign period" means the period  
33 beginning 120 days before the primary election and ending on the  
34 day of the primary election.

35 91061. "Qualified candidate" means a candidate seeking  
36 nomination for a state office from a party that is not an  
37 office-qualified party.

38 91063. "Qualifying contribution" means a contribution of five  
39 dollars (\$5) that is received during the designated qualifying period  
40 by a candidate seeking to become eligible for Clean Money

1 campaign funding from a registered voter of the district in which  
2 the candidate is running for office

3 91065. “Qualifying period” means the period during which  
4 candidates are permitted to collect qualifying contributions in order  
5 to qualify for Clean Money funding. It begins 270 days before the  
6 primary election and ends 90 days before the day of the primary  
7 election for qualified party candidates and begins any time after  
8 January 1 of the election year and lasts 180 days but in no event  
9 ending later than 90 days before the general election for  
10 performance-qualified candidates who are running as independent  
11 candidates.

12 91067. “Seed money contribution” means a contribution of no  
13 more than one hundred dollars (\$100) made by a California  
14 registered voter during the exploratory period.

15 91069. “Small contributor committee” means any committee  
16 that meets all of the following criteria:

17 (a) The committee has been in existence for at least six months.

18 (b) The committee has received contributions from 100 or more  
19 persons.

20 (c) No one person has contributed to the committee more than  
21 two hundred dollars (\$200) per calendar year.

22 (d) The committee makes contributions to five or more  
23 candidates.

24 (e) The committee is not a candidate-controlled committee  
25 pursuant to Section 82016.

#### 26 Article 4. Clean Money

27  
28  
29 91071. (a) An office-qualified candidate qualifies as a  
30 participating candidate for the primary election campaign period  
31 if the following requirements are met:

32 (1) The candidate files a declaration with the commission that  
33 the candidate has complied and will comply with all of the  
34 requirements of this act, including the requirement that during the  
35 exploratory period and the qualifying period the candidate not  
36 accept or spend private contributions from any source other than  
37 seed money contributions, Clean Money funds, and political party  
38 funds as specified in Section 91123.

39 (2) The candidate meets the following qualifying contribution  
40 requirements before the close of the qualifying period:

1 (A) The office-qualified party candidate collects at least the  
2 following number of qualifying contributions:

3 (i) Five hundred qualifying contributions for a candidate running  
4 for the office of Member of the Assembly.

5 (ii) One thousand qualifying contributions for a candidate  
6 running for the office of Member of the State Senate.

7 (iii) One thousand five hundred qualifying contributions for a  
8 candidate running for the office of member of the State Board of  
9 Equalization.

10 (iv) Seven thousand five hundred qualifying contributions for  
11 a candidate running for any statewide office other than Governor.

12 (v) Twenty-five thousand qualifying contributions for a  
13 candidate running for the office of Governor.

14 (B) No registered voter shall provide more than one qualifying  
15 contribution for each office for which he or she is eligible to vote.

16 (C) Each qualifying contribution shall be acknowledged by a  
17 receipt to the contributor, with a copy submitted to the commission  
18 by the candidate. The receipt shall include the contributor's  
19 signature, printed name, and home address, the date, and the name  
20 of the candidate on whose behalf the contribution is made. In  
21 addition, the receipt shall indicate by the contributor's signature  
22 that the contributor understands that he or she may contribute a  
23 qualifying contribution to only one candidate for each office for  
24 which the contributor is eligible to vote, that the purpose of the  
25 qualifying contribution is to help the candidate qualify for Clean  
26 Money campaign funding, and that the contribution is made without  
27 coercion or reimbursement.

28 (D) A contribution submitted as a qualifying contribution that  
29 does not include a signed and fully completed receipt shall not be  
30 counted as a qualifying contribution.

31 (E) All five-dollar (\$5) qualifying contributions, whether in the  
32 form of cash, check, or money order made out to the candidate's  
33 campaign account, shall be deposited by the candidate in the  
34 candidate's campaign account.

35 (F) All qualifying contributions' signed receipts shall be sent  
36 to the commission and shall be accompanied by a check from the  
37 candidate's campaign account for the total amount of qualifying  
38 contribution moneys received for deposit in the Clean Money  
39 Fund. This submission shall be accompanied by a signed statement  
40 from the candidate indicating that all of the information on the

1 qualifying contribution receipts is complete and accurate to the  
2 best of the candidate's knowledge and that the amount of the  
3 enclosed check is equal to the sum of all of the five-dollar (\$5)  
4 qualifying contributions the candidate has received.

5 (b) A party-qualified candidate qualifies as a participating  
6 candidate for the general election campaign period if both of the  
7 following requirements are met:

8 (1) The candidate met all of the applicable requirements and  
9 filed a declaration with the commission that the candidate has  
10 fulfilled and will fulfill all of the requirements of a participating  
11 candidate as stated in this act.

12 (2) As a participating candidate from an office-qualified party  
13 during the primary election campaign period, the candidate had  
14 the highest number of votes of the candidates contesting the  
15 primary election from the candidate's respective party and,  
16 therefore, won the party's nomination.

17 91073. A qualified candidate shall collect at least one half of  
18 the number of signatures as required for an office-qualified  
19 candidate for the same office ~~and~~. *A qualified candidate* may show  
20 a greater base of support by collecting double the amount of  
21 signatures as required for an office-qualified candidate to become  
22 a performance-qualified candidate. The candidate shall also file a  
23 declaration with the commission that the candidate has complied  
24 and will comply with all of the requirements of this act. For a  
25 candidate who does not run in a primary, the qualifying period  
26 begins any time after January 1 of the election year and lasts 180  
27 days, except that it shall end no later than 90 days before the  
28 general election. A candidate who is not an office-qualified  
29 candidate shall notify the commission within 24 hours of the day  
30 when the candidate has begun collecting qualifying contributions.

31 91075. During the first election that occurs after the effective  
32 date of this act, a candidate may be certified as a participating  
33 candidate, notwithstanding the acceptance of contributions or  
34 making of expenditures from private funds before the date of  
35 enactment that would, absent this section, disqualify the candidate  
36 as a participating candidate, provided that any private funds  
37 accepted but not expended before the effective date of this act meet  
38 any of the following criteria:

39 (a) Are returned to the contributor.

1 (b) Are held in a special campaign account and used only for  
2 retiring a debt from a previous campaign.

3 (c) Are submitted to the commission for deposit in the Clean  
4 Money Fund.

5 91077. A participating candidate who accepts any benefits  
6 during the primary election campaign period shall comply with  
7 all of the requirements of this act through the general election  
8 campaign period whether the candidate continues to accept benefits  
9 or not.

10 91079. (a) During the primary and general election campaign  
11 periods, a participating candidate who has voluntarily agreed to  
12 participate in, and has become eligible for, Clean Money benefits,  
13 shall not accept private contributions from any source other than  
14 the candidate's political party as specified in Section 91123.

15 (b) During the qualifying period and the primary and general  
16 election campaign periods, a participating candidate who has  
17 voluntarily agreed to participate in, and has become eligible for,  
18 Clean Money benefits shall not solicit or receive political  
19 contributions for any other candidate or for any political party or  
20 other political committee.

21 (c) No person shall make a contribution in the name of another  
22 person. A participating candidate who receives a qualifying  
23 contribution or a seed money contribution that is not from the  
24 person listed on the receipt required by subparagraph (D) of  
25 paragraph (2) of subdivision (a) of Section 91071 shall be liable  
26 to pay the commission the entire amount of the inaccurately  
27 identified contribution, in addition to any penalties.

28 (d) During the primary and general election campaign periods,  
29 a participating candidate shall pay for all of the candidate's  
30 campaign expenditures, except petty cash expenditures, by means  
31 of a "Clean Money Debit Card" issued by the commission, as  
32 authorized under Section 91137.

33 (e) Eligible candidates shall furnish complete campaign records,  
34 including all records of seed money contributions and qualifying  
35 contributions, to the commission at regular filing times. Candidates  
36 shall cooperate with any audit or examination by the commission,  
37 the Franchise Tax Board, or any enforcement agency.

38 91081. (a) During an election, each participating candidate  
39 shall conduct all campaign financial activities through a single  
40 campaign account.

1 (b) Notwithstanding Section 85201, a participating candidate  
2 may maintain a campaign account other than the campaign account  
3 described in subdivision (a) if the other campaign account is for  
4 the purpose of retiring a campaign debt that was incurred during  
5 a previous election campaign in which the candidate was not a  
6 participating candidate.

7 (c) Contributions for the purposes of retiring a previous  
8 campaign debt that are deposited in the “other campaign account”  
9 described in subdivision (b) shall not be considered “contributions”  
10 to the candidate’s current campaign. Those contributions shall  
11 only be raised during the six-month period following the date of  
12 the election.

13 (d) Participating candidates shall file reports of financial activity  
14 related to the current election cycle separately from reports of  
15 financial activity related to previous election cycles.

16 91083. (a) Participating candidates shall use their Clean Money  
17 funds only for direct campaign purposes.

18 (b) A participating candidate shall not use Clean Money funds  
19 for any of the following:

20 (1) Costs of legal defense in any campaign law enforcement  
21 proceeding under this act.

22 (2) Indirect campaign purposes, including, but not limited to,  
23 the following:

24 (A) The candidate’s personal support or compensation to the  
25 candidate or the candidate’s family.

26 (B) The candidate’s personal appearance.

27 (C) Capital assets having a value in excess of five hundred  
28 dollars (\$500) and useful life extending beyond the end of the  
29 current election period determined in accordance with generally  
30 accepted accounting principles.

31 (D) A contribution or loan to the campaign committee of another  
32 candidate or to a party committee or other political committee.

33 (E) An independent expenditure.

34 (F) A gift in excess of twenty-five dollars (\$25) per person.

35 (G) Any payment or transfer for which compensating value is  
36 not received.

37 91085. (a) Personal funds contributed as seed money by a  
38 candidate seeking to become eligible as a participating candidate  
39 or by adult members of the candidate’s family shall not exceed  
40 the maximum of one hundred dollars (\$100) per contributor.



1 (b) Personal funds shall not be used to meet the qualifying  
2 contribution requirement except for one five-dollar (\$5)  
3 contribution from the candidate and one five-dollar (\$5)  
4 contribution from the candidate's spouse.

5 91087. (a) The only private contributions a candidate seeking  
6 to become eligible for Clean Money funding shall accept, other  
7 than qualifying contributions and limited contributions from the  
8 candidate's political party as specified in Section 91123, are seed  
9 money contributions contributed by duly registered voters in the  
10 district in which the candidate is running for election prior to the  
11 end of the qualifying period.

12 (b) A seed money contribution shall not exceed one hundred  
13 dollars (\$100) per donor, and the aggregate amount of seed money  
14 contributions accepted by a candidate seeking to become eligible  
15 for Clean Money funding shall not exceed:

16 (1) Ten thousand dollars (\$10,000) for a candidate running for  
17 the office of Member of the Assembly.

18 (2) Twenty thousand dollars (\$20,000) for a candidate running  
19 for the office of Member of the State Senate.

20 (3) Thirty thousand dollars (\$30,000) for a candidate running  
21 for the office of member of the State Board of Equalization.

22 (4) Seventy-five thousand dollars (\$75,000) for a candidate  
23 running for a statewide office other than Governor.

24 (5) Two hundred fifty thousand dollars (\$250,000) for a  
25 candidate running for the office of Governor.

26 (c) Receipts for seed money contributions under twenty-five  
27 dollars (\$25) shall include the contributor's signature, printed  
28 name, street address, and ZIP Code. Receipts for seed money  
29 contributions of twenty-five dollars (\$25) or more shall also include  
30 the contributor's occupation and name of employer. Contributions  
31 shall not be retained if the required disclosure information is not  
32 received.

33 (d) Seed money shall be spent only during the exploratory and  
34 qualifying periods. Seed money shall not be spent during the  
35 primary or general election campaign periods. Any unspent seed  
36 money shall be turned over to the commission for deposit in the  
37 Clean Money Fund.

38 (e) Within 72 hours after the close of the qualifying period,  
39 candidates seeking to become eligible for Clean Money funding  
40 shall do both of the following:

1 (1) Fully disclose all seed money contributions and expenditures  
2 to the commission.

3 (2) Turn over to the commission for deposit in the Clean Money  
4 Fund any seed money the candidate has raised during the  
5 exploratory period that exceeds the aggregate seed money limit.

6 91091. Participating candidates in contested races shall agree  
7 to participate in at least one public debate during a contested  
8 primary election and two debates during a contested general  
9 election.

10 91093. (a) No more than five days after a candidate applies  
11 for Clean Money benefits, the commission shall certify that the  
12 candidate is or is not eligible. Eligibility may be revoked if the  
13 candidate violates the requirements of this act, in which case all  
14 Clean Money funds shall be repaid.

15 (b) The candidate's request for certification shall be signed by  
16 the candidate and the candidate's campaign treasurer under penalty  
17 of perjury.

18 (c) The commission's determination is final except that it is  
19 subject to a prompt judicial review.

#### 20 21 Article 5. Clean Money Benefits 22

23 91095. (a) Candidates who qualify for Clean Money funding  
24 for primary and general elections shall:

25 (1) Receive Clean Money funding from the commission for  
26 each election, the amount of which is specified in Section 91099.  
27 This funding may be used to finance any and all campaign expenses  
28 during the particular campaign period for which it was allocated.

29 (2) If an office-qualified candidate or a performance-qualified  
30 candidate showing a broad base of support, receive additional  
31 Clean Money funding to match any excess expenditure amount  
32 spent by a nonparticipating candidate, as disclosed pursuant to  
33 Section 91107.

34 (3) If an office-qualified candidate or a performance-qualified  
35 candidate showing a broad base of support, receive additional  
36 Clean Money funding to match any independent expenditure or  
37 independent electioneering expenditure made in opposition to their  
38 candidacies or in support of their opponents' candidacies, as  
39 disclosed pursuant to Section 91109, provided that the dollar value  
40 of the independent expenditure or independent electioneering

1 expenditure, combined with the amount raised or received thus far  
2 by any opposing candidate who benefits from the independent  
3 expenditure or independent electioneering expenditure, exceeds  
4 the original Clean Money funding amount received by the  
5 participating candidate.

6 (b) The maximum aggregate amount of funding a participating  
7 office-qualified candidate or a performance-qualified candidate  
8 showing a broad base of support shall receive to match independent  
9 expenditures and excess expenditures of nonparticipating  
10 candidates shall be no more than five times the original amount  
11 of Clean Money funding allocated to a participating candidate for  
12 a particular primary or general election campaign period.

13 (c) A qualified candidate shall be entitled to raise additional  
14 private funds, subject to the contribution limitations imposed on  
15 nonparticipating candidates, in an amount not to exceed what an  
16 office-qualified candidate or a performance-qualified candidate  
17 for the same office is entitled to receive in Clean Money funding  
18 as set forth in subdivisions (a) and (b).

19 91097. (a) An eligible qualified or office-qualified candidate  
20 shall receive the candidate's Clean Money funding for the primary  
21 election campaign period on the date on which the commission  
22 certifies the candidate as a participating candidate. This certification  
23 shall take place no later than five days after the candidate has  
24 submitted the required number of qualifying contribution receipts,  
25 a check for the total amount of qualifying contributions collected,  
26 and a declaration stating that the candidate has complied with all  
27 other requirements for eligibility as a participating candidate, but  
28 no earlier than the beginning of the primary election campaign  
29 period.

30 (b) An eligible qualified or performance-qualified candidate  
31 shall receive the candidate's Clean Money funding for the general  
32 election campaign period within two business days after  
33 certification of the primary election results.

34 (c) A participating candidate for Legislature running in the  
35 primary of the dominant party in a one-party dominant district  
36 may choose to reallocate a portion of the Clean Money funding  
37 amount from the general election period to the primary period.  
38 The candidate shall make this choice in a writing submitted to the  
39 commission with the materials specified in subdivision (a) at the  
40 close of the qualifying period. The participating candidate who

1 makes such a choice shall receive an additional amount equal to  
2 50 percent of the amount specified for the general election for the  
3 appropriate office as set forth in subdivision (b) of Section 91099.  
4 The amount a participating candidate who makes such a choice  
5 shall receive at the beginning of the general election period shall  
6 be reduced by 50 percent. The choice may also affect the amount  
7 at which an opposing candidate may be considered to have  
8 exceeded the amount of Clean Money funding available to the  
9 participating candidate. If a competing participating candidate  
10 transfers funds pursuant to this subdivision from the general to the  
11 primary election by the close of the qualifying period, any other  
12 participating candidate in the same election may transfer the same  
13 amount of funds from the general to the primary election by  
14 notifying the commission in writing within five days of the close  
15 of the qualifying period.

16 91099. (a) For eligible candidates in a primary election:

17 (1) The amount of Clean Money funding for an eligible  
18 office-qualified party candidate in a primary, special, or special  
19 runoff election or for an eligible performance-qualified candidate  
20 in a special or special runoff election is:

21 (A) One hundred thousand dollars (\$100,000) for a candidate  
22 running for the office of Member of the Assembly.

23 (B) Two hundred thousand dollars (\$200,000) for a candidate  
24 running for the office of Member of the State Senate.

25 (C) Two hundred fifty thousand dollars (\$250,000) for a  
26 candidate running for the office of member of the State Board of  
27 Equalization.

28 (D) One million dollars (\$1,000,000) for a candidate running  
29 for a statewide office other than Governor or Attorney General.

30 (E) One million five hundred thousand dollars (\$1,500,000) for  
31 a candidate running for Attorney General.

32 (F) Six million dollars (\$6,000,000) for a candidate running for  
33 Governor.

34 (2) The amount of Clean Money funding for an eligible  
35 performance-qualified candidate in a primary election is 20 percent  
36 of the amount an office-qualified party candidate running for the  
37 same office could receive. The amount of Clean Money Funding  
38 for an eligible performance-qualified candidate in a special or  
39 special runoff election is equal to the amount an office-qualified  
40 candidate running for the same office would receive.

(3) The Clean Money funding amount for an eligible candidate in a primary election where no other candidates are running in any party primary for that seat is 10 percent of the amount provided in a contested primary election.

(b) For eligible candidates in a general election:

(1) The amount of Clean Money funding for an eligible performance-qualified candidate in a contested general election is:

(A) One hundred fifty thousand dollars (\$150,000) for a candidate running for the office of Member of the Assembly.

(B) Three hundred thousand dollars (\$300,000) for a candidate running for the office of Member of the State Senate.

(C) Five hundred thousand dollars (\$500,000) for a candidate running for the office of member of the State Board of Equalization.

(D) Two million dollars (\$2,000,000) for a candidate running for a statewide office other than Governor or Attorney General.

(E) Three million dollars (\$3,000,000) for a candidate running for Attorney General.

(F) Ten million dollars (\$10,000,000) for a candidate running for Governor.

(2) The amount of Clean Money funding for an eligible qualified candidate in a contested general election is 25 percent of the amount a performance-qualified candidate running for the same office could receive.

~~Article 6. Restrictions on Nonparticipating Candidates, Political Parties, and Independent Expenditure Committees~~

~~91101. (a) A person, other than a small contributor committee or political party committee, shall not make to any nonparticipating candidate, and a nonparticipating candidate shall not accept from a person other than a small contributor committee or a political party committee, any contribution totaling more than five thousand dollars (\$5,000) per election.~~

~~(b) The provisions of this section do not apply to a nonparticipating candidate's contributions of personal funds to the candidate's own campaign.~~

~~91103. A small contributor committee shall not make to any nonparticipating candidate, and a nonparticipating candidate shall~~

1 not accept from a small contributor committee, any contribution  
2 totaling more than ten thousand dollars (\$10,000) per election.

3 91105. ~~(a) A person shall not make to any committee,~~  
4 ~~including an independent expenditure committee, and a committee~~  
5 ~~shall not accept from a person, contributions totaling more than~~  
6 ~~one thousand dollars (\$1,000).~~

7 ~~(b) A person shall not make in the aggregate to political party~~  
8 ~~committees of the same political party, and a political party~~  
9 ~~committee shall not accept from a person, contributions totaling~~  
10 ~~more than five thousand dollars (\$5,000) per calendar year.~~

11 ~~(c) Nothing in this chapter limits a candidate from transferring~~  
12 ~~contributions received by the candidate in excess of any amount~~  
13 ~~necessary to defray the candidate's expenses for election-related~~  
14 ~~activities or holding office to a political party committee, provided~~  
15 ~~those transferred contributions are used for purposes consistent~~  
16 ~~with paragraph (4) of subdivision (b) of Section 89519.~~

17  
18 Article 7-6. Disclosure Requirements  
19

20 91107. (a) If a nonparticipating candidate's total expenditures  
21 or promises to make campaign expenditures exceed the amount  
22 of Clean Money funding allocated to the candidate's Clean Money  
23 opponent or opponents, the candidate shall declare every excess  
24 expenditure amount which, in the aggregate, is more than five  
25 thousand dollars (\$5,000) to the commission online or  
26 electronically within 24 hours of the time the expenditure or  
27 promise is made, whichever occurs first.

28 (b) The commission may make its own determination as to  
29 whether excess expenditures have been made by nonparticipating  
30 candidates.

31 (c) Upon receiving an excess expenditure declaration or  
32 determining that an excess expenditure has been made, the  
33 commission shall immediately release additional Clean Money  
34 funding to the opposing participating performance-qualified and  
35 office-qualified candidates. The amount released shall be equal to  
36 the excess expenditure amount the nonparticipating candidate has  
37 spent or has obligated to spend. The maximum aggregate amount  
38 of additional funding a participating candidate receives to match  
39 the total of independent expenditures and the excess expenditures  
40 of nonparticipating candidates is no more than an additional 500

1 percent of the participating candidate's actual initial Clean Money  
2 funding allocation for the relevant office.

3 91109. (a) In addition to any other report required by this  
4 chapter, a committee, including a political party committee, that  
5 is required to file reports pursuant to Section 84605 and that makes  
6 independent expenditures of one thousand dollars (\$1,000) or more  
7 during an election cycle in connection with a candidate, shall file  
8 online or electronically a report with the commission disclosing  
9 the making of the independent expenditure. This report shall  
10 disclose the same information required by subdivision (b) of  
11 Section 84204 and shall be filed within 24 hours of the time the  
12 independent expenditure is made.

13 (b) The report to the commission shall include a signed statement  
14 under penalty of perjury by the person or persons making the  
15 independent expenditure identifying the candidate or candidates  
16 whom the independent expenditure is intended to help elect or  
17 defeat and affirming that the expenditure is independent and  
18 whether it is coordinated with a candidate or a political party.

19 (c) Any individual or organization that fails to file the required  
20 report to the commission or provides materially false information  
21 in a report filed pursuant to subdivision (a) or (b) may be fined up  
22 to three times the amount of the independent expenditure, in  
23 addition to any other remedies provided by this act.

24 (d) Upon receiving a report that an independent expenditure has  
25 been made or obligated to be made, the commission shall  
26 immediately release additional Clean Money funding, equal in  
27 amount to the cost of the independent expenditure, to all  
28 participating candidates whom the independent expenditure is  
29 intended to oppose or defeat in that specific primary or general  
30 election, provided that:

31 (1) The dollar value of the independent expenditure, combined  
32 with the amount raised or received thus far by any opposing  
33 candidate who benefits from the independent expenditure, exceeds  
34 the original actual Clean Money funding amount received by the  
35 participating candidate.

36 (2) The maximum aggregate amount of additional funding a  
37 participating candidate receives to match the total of independent  
38 expenditures and the excess expenditures of nonparticipating  
39 candidates is no more than an additional 500 percent of the  
40 participating candidate's initial Clean Money funding allocation.

1 (e) A controlled committee of a candidate shall not make  
2 independent expenditures and shall not contribute funds to another  
3 expenditures to support or oppose other candidates.

4 91111. (a) In addition to any other report required by this  
5 chapter, a committee, including a political party committee, that  
6 is required to file reports pursuant to Section 84605 and that makes  
7 independent electioneering expenditures of one thousand dollars  
8 (\$1,000) or more during an election cycle in connection with a  
9 candidate, shall file online or electronically a report with the  
10 commission disclosing the making of the independent  
11 electioneering expenditure. This report shall disclose the same  
12 information required by subdivision (b) of Section 84204 and shall  
13 be filed within 24 hours of the time the independent expenditure  
14 is made.

15 (b) The report to the commission shall include a signed statement  
16 under penalty of perjury by the person or persons making the  
17 independent electioneering expenditure identifying the candidate  
18 or candidates whom the independent electioneering expenditure  
19 is intended to help elect or defeat and affirming that the expenditure  
20 is independent and whether it is coordinated with a candidate or  
21 a political party.

22 (c) Any individual or organization that fails to file the required  
23 report to the commission or provides materially false information  
24 in a report filed pursuant to subdivision (a) or (b) may be fined up  
25 to three times the amount of the independent electioneering  
26 expenditure, in addition to any other remedies provided by this  
27 act.

28 (d) Upon receiving a report that an independent electioneering  
29 expenditure has been made or obligated to be made, the  
30 commission shall immediately release additional Clean Money  
31 funding, equal in amount to the cost of the independent  
32 electioneering expenditure, to all participating candidates whom  
33 the independent electioneering expenditure is intended to oppose  
34 or defeat in that specific primary or general election, provided that:

35 (1) The dollar value of the independent electioneering  
36 expenditure, combined with the amount raised or received thus far  
37 by any opposing candidate who benefits from the independent  
38 electioneering expenditure, exceeds the original actual Clean  
39 Money funding amount received by the participating candidate.



1 (2) The maximum aggregate amount of additional funding a  
2 participating candidate receives to match the total of independent  
3 electioneering expenditures and the excess expenditures of  
4 nonparticipating candidates is no more than an additional 500  
5 percent of the participating candidate's initial Clean Money funding  
6 allocation.

7 91113. All broadcast and print advertisements placed by  
8 candidates or their committees shall include a clear written or  
9 spoken statement indicating that the candidate has approved of the  
10 contents of the advertisement.

11  
12 Article 8-7. Legal Defense, Officeholder, and Inaugural Funds  
13

14 91115. (a) A candidate or elected state officer may establish  
15 a separate account to defray attorney's fees and other related legal  
16 costs incurred for the candidate's or elected state officer's legal  
17 defense if the candidate or elected state officer is subject to one  
18 or more civil or criminal proceedings or administrative proceedings  
19 arising directly out of the conduct of an election campaign, the  
20 electoral process, or the performance of the elected state officer's  
21 governmental activities and duties. These funds may be used only  
22 to defray those attorney's fees and other related legal costs.

23 (b) An elected state officer may establish a separate account to  
24 defray officeholder expenses that are set forth by the commission.  
25 No funds from this account shall be used for a mass mailing. No  
26 elected state officer accounts shall exceed fifty thousand dollars  
27 (\$50,000) at any time.

28 (c) A Governor, Lieutenant Governor, or other statewide officer  
29 may establish an inaugural account to cover the cost of events,  
30 celebrations, gatherings, and communications that take place as  
31 part of, or in honor of, the officer's inauguration.

32 (d) A candidate or elected state officer may receive contributions  
33 of up to five hundred dollars (\$500) per person per year in the  
34 aggregate for accounts in subdivisions (a), (b), and (c). All  
35 contributions, whether cash or in kind, shall be reported in a  
36 manner prescribed by the commission. Contributions to such funds  
37 shall not be considered campaign contributions.

38 ~~(e) An elected state officer or legal defense account shall not~~  
39 ~~solicit or accept a contribution from a registered state lobbyist or~~  
40 ~~lobbyist employer if the lobbyist or lobbyist employer finances;~~

engages, or is authorized to engage in lobbying the government agency of the officer.

(f) Once the legal dispute is resolved or the elected state officer leaves office, the candidate shall dispose of any funds remaining after all expenses associated with the dispute are discharged or after the elected state officer leaves office, for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.

#### Article 9-8. Restrictions on Candidates

~~91117. A candidate or any committee controlled by the candidate shall not receive any contributions prior to the beginning of the exploratory period.~~

91119. A nonparticipating candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same nonparticipating candidate. Contributions transferred shall be attributed to specific contributors using a “last in, first out” or “first in, first out” ~~accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor shall not exceed the limits set forth in Section 91103 or 91105.~~ *accounting method.*

91121. A nonparticipating candidate may accept a contribution after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election and the contribution does not otherwise exceed the applicable contribution limit for that election. All debts shall be repaid or written off no later than 90 days after the general election.

91123. Candidates may accept monetary or in-kind contributions from political parties provided that the aggregate amount of such contributions from all political party committees combined does not exceed the equivalent of 5 percent of the original Clean Money financing allotment for that office for that election. Such expenditures shall not count against the moneys spent by Clean Money candidates.

~~91125. Notwithstanding paragraph (1) of subdivision (b) of Section 82030, a contribution of five hundred dollars (\$500) or more received by a candidate shall be considered income subject to the disqualification provisions of this act.~~

Article 10-9. Ballot Pamphlet Statements

91127. The Secretary of State shall designate in the state ballot pamphlet and on any Internet Web site listing of candidates maintained by any government agency including, but not limited, to the Secretary of State those candidates who have voluntarily agreed to be participating candidates.

91131. (a) A candidate *for statewide elective office* who is a participating candidate may place a statement in the state ballot pamphlet, *and a candidate for the Assembly, Senate, or Board of Equalization who is a participating candidate may place a statement in the voter information portion of the sample ballot,* that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The candidate may also provide a list of up to 10 endorsers for placement in the *state* ballot pamphlet *or sample ballot, as appropriate.* This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets *and by county elections officials for the preparation of sample ballots.*

(b) A nonparticipating candidate *for statewide elective office* may pay to place a statement in the ~~appropriate~~ *state* ballot pamphlet ~~or that does not exceed 250 words, and a nonparticipating candidate for the Assembly, Senate, or Board of Equalization may pay to place a statement in the voter information portion of the sample ballot that does not exceed 250 words, and~~ *may.* A *nonparticipating candidate may also* pay to place a list of up to 10 endorsers in the *state* ballot pamphlet *or sample ballot, as appropriate.* The statement shall not make any reference to any opponent of the candidate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets *and by county elections officials for the preparation of sample ballots.* The nonparticipating candidate shall be charged the pro rata cost of printing, handling, translating, and mailing any campaign statement and list of endorsers provided pursuant to this subdivision.

1 Article ~~11~~-10. Appropriations for the Clean Money Fund

2  
3 91133. (a) A special, dedicated, nonlapsing Clean Money Fund  
4 is created in the State Treasury, ~~and notwithstanding Section 13340,~~  
5 ~~is continuously appropriated each fiscal year beginning in 2006~~  
6 ~~to the commission an amount equal to one-eighth cent (\$0.00125)~~  
7 ~~a month times the number of California residents 18 years or older.~~  
8 ~~The Clean Money Fund is established for the following purposes:~~  
9 ~~(1) Providing. Commencing with the fiscal year beginning on~~  
10 ~~July 1, 2008, an amount equal to one cent (\$0.01) per day times~~  
11 ~~the number of California residents 18 years of age or older is~~  
12 ~~hereby transferred annually from the General Fund to the Clean~~  
13 ~~Money fund and, notwithstanding Section 13340, continuously~~  
14 ~~appropriated from the Clean Money fund and, notwithstanding~~  
15 ~~Section 13340, continuously appropriated from the Clean Money~~  
16 ~~Fund to the commission for expenditure for the purpose of~~  
17 ~~providing public financing for the election campaigns of certified~~  
18 ~~participating candidates during primary and general campaign~~  
19 ~~periods.~~

20 ~~(2) Paying for~~

21 ~~(b) Funding for the administrative and enforcement costs of the~~  
22 ~~commission related to this act shall be subject to appropriation~~  
23 ~~by the Legislature. The commission shall annually be appropriated~~  
24 ~~at least three million dollars (\$3,000,000), plus cost of living, to~~  
25 ~~administer this act.~~

26 ~~(b) The appropriation shall first be made by the Legislature in~~  
27 ~~the 2006-07 fiscal year and in each subsequent fiscal year.~~

28 91135. Other sources of revenue to be deposited in the Clean  
29 Money Fund shall include all of the following:

30 (a) The qualifying contributions required of candidates seeking  
31 to become certified as participating candidates and candidates'  
32 excess qualifying contributions.

33 (b) The excess seed money contributions of candidates seeking  
34 to become certified as participating candidates.

35 (c) Unspent funds distributed to any participating candidate who  
36 does not remain a candidate until the primary or general election  
37 for which they were distributed, or funds that remain unspent by  
38 a participating candidate following the date of the primary or  
39 general election for which they were distributed.

1 ~~(d) Fines levied by the commission against Secretary of State~~  
2 ~~candidates for violation of election laws.~~

3 ~~(e) Voluntary donations made directly to the Clean Money Fund.~~

4 ~~(f) —~~

5 ~~(e) Other funds appropriated by the Legislature.~~

6 ~~(g) —~~

7 ~~(f) Any interest generated by the Clean Money Fund.~~

8 ~~(h) —~~

9 ~~(g) Any other sources of revenue from the General Fund or from~~  
10 ~~other sources as determined by the Legislature.~~

11 91136. The amount of moneys in the Clean Money Fund shall  
12 not exceed four times the maximum annual contribution specified  
13 in subdivision (a) of Section 91133. Any moneys that, if deposited  
14 in the Clean Money Fund, would cause the balance in that fund to  
15 exceed this limit shall be irrevocably transferred to the General  
16 Fund.

17  
18 Article ~~12~~.11. Administration

19  
20 91137. (a) Upon a determination that a candidate has met all  
21 the requirements for becoming a participating candidate as provided  
22 for in this act, the commission shall issue to the candidate a card,  
23 known as the “Clean Money Debit Card,” and a “line of debit”  
24 entitling the candidates and members of the candidate’s staff to  
25 draw Clean Money funds from a commission account to pay for  
26 all campaign costs and expenses up to the amount of Clean Money  
27 funding the candidate has received.

28 (b) Neither a participating candidate nor any other person on  
29 behalf of a participating candidate shall pay campaign costs by  
30 cash, check, money order, loan, or by any other financial means  
31 other than the Clean Money Debit Card.

32 (c) Cash amounts of one hundred dollars (\$100) or less per day  
33 may be drawn on the Clean Money Debit Card and used to pay  
34 expenses of no more than twenty-five dollars (\$25) each. Records  
35 of all such expenditures shall be maintained and reported to the  
36 commission.

37 91139. If the commission determines that there are insufficient  
38 funds in the program to fund adequately all candidates eligible for  
39 Clean Money funds, the commission shall reduce the grants  
40 proportionately to all eligible candidates. If the commission notifies

1 a candidate that the Clean Money funds will be reduced and the  
2 candidate has not received any Clean Money funds, the candidate  
3 may decide to be a nonparticipating candidate. If a candidate has  
4 already received Clean Money funds or wishes to start receiving  
5 such funds, a candidate who wishes to collect contributions may  
6 do so in amounts up to the contribution limits provided for  
7 nonparticipating candidates but shall not collect more than the  
8 total of Clean Money funds that the candidate was entitled to  
9 receive had there been sufficient funds in the program less the  
10 amount of Clean Money funds that will be or have been provided.  
11 If, at a later point, the commission determines that adequate funds  
12 have become available, candidates, who have not raised private  
13 funds, shall receive the funds owed to them.

14  
15 Article ~~13~~-12. Enforcement  
16

17 91141. (a) If a participating candidate spends or obligates to  
18 spend more than the Clean Money funding the candidate is given,  
19 and if it is determined by the commission, subject to court review,  
20 not to be an amount that had or could have been expected to have  
21 a significant impact on the outcome of the election, then the  
22 candidate shall repay to the Clean Money Fund an amount equal  
23 to the excess.

24 (b) If a participating candidate spends or obligates to spend  
25 more than the Clean Money funding the candidate is given, and if  
26 that excess amount is determined by the commission, subject to  
27 court review, to be an amount that had or could have been expected  
28 to have a significant impact on the outcome of the election, then  
29 the candidate shall repay to the Clean Money Fund an amount up  
30 to 10 times the value of the excess.

31 (c) In addition to the remedies set forth in subdivisions (a) and  
32 (b), if a participating candidate spends or obligates to spend more  
33 than 110 percent of the candidate's Clean Money funding, he or  
34 she shall be disqualified as a candidate, and, if contemporaneously  
35 in elective office, shall forfeit that office. Such a candidate shall  
36 be prohibited from running for reelection or for any elective office  
37 for which the election is to be held less than four years following  
38 the end of the month of the election relating to which the violation  
39 occurred.

1 91143. It is unlawful for candidates to knowingly accept more  
2 benefits than those to which they are entitled, spend more than the  
3 amount of Clean Money funding they have received, or misuse  
4 such benefits or Clean Money funding.

5 91145. Any person who knowingly or willfully violates any  
6 provision of this chapter is guilty of a misdemeanor. Any person  
7 who knowingly or willfully causes any other person to violate any  
8 provision of this chapter, or who aids and abets any other person  
9 in the violation of any provision of this chapter shall be liable  
10 under this section.

11 91147. Prosecution for a violation of any provision of this  
12 chapter shall be commenced within four years after the date on  
13 which the violation occurred.

14 91149. No person convicted of a misdemeanor under this  
15 chapter shall act as a lobbyist or state contractor, or run for elective  
16 office, for a period of four years following the date of conviction  
17 unless the court at the time of sentencing specifically determines  
18 that this provision shall not be applicable.

19  
20 Article ~~14~~.13. Cost of Living  
21

22 91153. The commission shall adjust the contribution  
23 limitations, voluntary spending limits, seed money provisions, and  
24 the Clean Money Fund provisions in January of every  
25 odd-numbered year to reflect any increase or decrease in the  
26 Consumer Price Index and the increase in registered voters. Those  
27 adjustments shall be rounded to the nearest ten dollars (\$10) for  
28 the seed money provisions, one hundred dollars (\$100) for the  
29 limitations on contributions, and one thousand dollars (\$1,000)  
30 for the Clean Money provisions.

31 91157. On or before December 6 of each year ending in one,  
32 the commission shall prepare and provide to each Member of the  
33 Legislature and to the standing committees in the Assembly and  
34 the Senate with jurisdiction over elections a report containing a  
35 review and analysis of the functioning of the Clean Money Fund  
36 and the commission's recommendations as to whether additional  
37 adjustments, beyond those specified in Section 91153, should be  
38 made to the voluntary spending limits, seed money provisions,  
39 and Clean Money Fund provisions of this chapter, and suggesting  
40 other changes that are advisable to further the purposes of this act.

1 The commission's recommendations shall be based upon an  
2 analysis of the disclosures of campaign contributions and  
3 expenditures made by nonparticipating candidates in the preceding  
4 decade and other campaign financing information available, and  
5 this analysis shall be set forth in detail in the report.

6 SEC. 5. The provisions of Section 81012 of the Government  
7 Code, which allow legislative amendments to the Political Reform  
8 Act of 1974, shall apply to all of the provisions of this act that are  
9 placed on the June 3, 2008, ballot.

10 SEC. 6. The Secretary of State shall, pursuant to subdivision  
11 (b) of Section 81012 of the Government Code, submit Sections 3,  
12 4, 5, and 7 of this act for approval by the voters at the June 3, 2008,  
13 statewide primary election, notwithstanding Section 9040 of the  
14 Elections Code.

15 SEC. 7. The section of this act that adds Chapter 12  
16 (commencing with Section 91015) to Title 9 of the Government  
17 Code shall be deemed to amend the Political Reform Act of 1974  
18 as amended and all of the provisions of the Political Reform Act  
19 of 1974 as amended that do not conflict with Chapter 12 shall  
20 apply to the provisions of that chapter.

21 SEC. 8. The provisions of this act are severable. If any  
22 provision of this act or its application is held invalid, that invalidity  
23 shall not affect other provisions or applications that can be given  
24 effect without the invalid provision or application.

25 SEC. 9. *The provisions of this act are set forth for display*  
26 *purposes only and shall not be operative.*

27 SEC. 10. *It is the intent of the Legislature that a conference*  
28 *committee be established to consider the provisions of this measure.*